



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
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DEPARTMENT OF HUMAN SERVICES
EUGENE I. GESSOW, DIRECTOR

INFORMATIONAL LETTER NO. 784

TO: All Rebase and Out-of-State Iowa Medicaid Hospitals (Excluding Critical Access Hospitals)

From: Iowa Department of Human Services, Iowa Medicaid Enterprise

Date: February 25, 2009

Subject: Implementation of Inpatient Hospital Rebase and Recalibration

Effective Date: October 1, 2008

The Centers for Medicare and Medicaid Services (CMS) has now approved the State Plan Amendment (SPA) corresponding to the Inpatient Hospital Rebase and Recalibration effective October 1, 2008. The IME's claims processing system will be updated effective Tuesday, February 24, 2009. All claims received on or after that date will be processed with the updated base rates and DRG weights. The DRG weight table will be posted on the IME website at <http://www.ime.state.ia.us/> by February 24, 2009.

Final hospital cost allocation workpapers and DRG base rate calculation worksheets were e-mailed to each hospital on January 5, 2009. Out-of-state hospitals that did not have a FY2007 cost report on file with the IME will receive the statewide average DRG base rate of \$4,408.86 and statewide cost to charge ratio of 0.4058.

Mass adjustments will be completed by the IME to re-price all hospital inpatient claims for dates of service beginning October 1, 2008 and ending February 23, 2009. The remittance advice dated March 16, 2009 will include repayment of these claims. If you have any questions, please contact IME Provider Cost Audit and Rate Setting Unit at 1-866-863-8610 or 515-725-1108 or by e-mail at: costaudit@dhs.state.ia.us.